

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

NO. C-03-116-05-CO01

LENDERS MANAGEMENT GROUP, INC.,
dba QPOINT HOME MORTGAGE LOANS-
WATERFRONT PARK,
DEANNE M. GONIA, President, Owner and
Designated Broker, and
STEPHEN F. KAFER, Vice-President and Owner,

CONSENT ORDER

Respondents

COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck Cross, Division Director, Division of Consumer Services, and Lenders Management Group, Inc., dba Qpoint Home Mortgage Loans-Waterfront Park, Deanne M. Gonia, President, Owner and Designated Broker, and Stephen F. Kafer, Vice-President and Owner (hereinafter collectively as Respondents) by and through their attorney Steven B. Dixon, and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-03-116-03-SC01 (Statement of Charges), entered January 26, 2004, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully

1 resolve the Statement of Charges. The parties agree that the entry of this Consent Order shall not be deemed an
2 admission of the matters alleged in the Statement of Charges.

3 Based upon the foregoing:

4 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the activities
5 discussed herein.

6 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing before
7 an administrative law judge, and that they have waived their right to a hearing and any and all administrative and
8 judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondents agree to
9 dismiss their appeal and to inform the Office of Administrative Hearings in writing of their dismissal.

10 C. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$10,000.00, in the form of a
11 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

12 D. **Restitution.** It is AGREED that Respondents shall, within five (5) days of the date of entry of this
13 Consent Order, make restitution to consumers in the amount of \$8,826.50 and provide the Department with written
14 proof of such payment within forty-five (45) days of the date of entry of this Consent Order. If restitution cannot be
15 made to any particular consumer, Respondents shall take the necessary steps to escheat such funds to the State and
16 provide the Department with written proof of such action. The "written proof" at a minimum must consist of copies of
17 the front and back of cancelled checks.

18 E. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee of
19 \$764.48 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent
20 Order.

21 F. **Mortgage Broker Amendment Application.** It is AGREED that, upon the submission of the written
22 dismissal of their appeal to the Office of Administrative Hearings required under paragraph B, and payment to the
23 Department of the sums required under paragraphs C and E above, and the deposit of funds required under paragraph D
24 above with their attorney to be released only to consumers or escheated to the State of Washington, the Department, so

1 long as all the licensing requirements are met, will grant the pending Mortgage Broker Amendment Application of the
2 Respondents.

3 **G. Compliance with the Law.** It is AGREED that Respondents shall comply with the Mortgage Broker
4 Practices Act and the rules adopted thereunder, particularly, the provisions relating to the disclosure of significant
5 developments to the Director and the operation and advertisement under a name other than the one under which a license
6 has been issued without obtaining the written consent of the Director.

7 **H. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide by
8 the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of
9 such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in pursuing
10 such action, including but not limited to, attorney fees.

11 **I. Authority to Execute Order.** It is AGREED that the undersigned have represented and warranted that
12 they have the full power and right to execute this Consent Order on behalf of the parties represented.

13 **J. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into this
14 Consent Order, which is effective when signed by the Director's designee.

15 **K. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this Consent
16 Order in its entirety and fully understand and agree to all of the same.

17 **RESPONDENTS:**

18 **Lenders Management Group, Inc.**

19 By:

20 /S/
Deanne M. Gonia
21 President, Owner and Designated Broker

3/11/05
Date

22
23 /S/
24 Stephen F. Kafer, Vice-President and Owner

3/11/05
Date

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/S/
Deanne M. Gonia, Individually

3/11/05
Date

/S/
Stephen F. Kafer, Individually

3/11/05
Date

/S/
Steven B. Dixon, WSBA No. 11276
Attorney at Law
Attorney for Respondents

3/11/05
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 25th DAY OF March, 2005.

/S/
CHUCK CROSS
Director and Enforcement Chief
Division of Consumer Services
Department of Financial Institutions